



NEWS RELEASE

IDAHO WATER RESOURCE BOARD

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Water Board Closes on Purchase of High-lift Water Rights

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The State of Idaho now has more flexibility for managing waters of the Snake River to address water supply problems and environmental concerns.

On Thursday, June 30, 2005, the Idaho Water Resource Board finalized the purchase of water rights associated with approximately 25,000 acres of land from the Bell Rapids Irrigation Company based near Hagerman.

“The purchase of these water rights is an important part of the historic Nez Perce Agreement and key to providing more water for salmon recovery during yet another difficult drought year,” Governor Dirk Kempthorne said. “This cooperative arrangement is an achievement that will benefit the state and its residents for years to come.”

“This purchase demonstrates that water supply issues are best addressed through cooperation rather than the top down command and control structure of environmental law,” House Speaker Bruce Newcomb said. “All citizens of Idaho will benefit from this purchase. State taxpayers benefit because the federal government is contributing to the purchase of this water that will be used to meet federal policy objectives. Irrigators will benefit because this purchase helps to reduce the demand for water from the upper Snake River in drought years. The environment will benefit because of additional flows through the mid-Snake River. Finally, the impact on the local economy is reduced because the shareholders will be able to reinvest in their lands and the local community. This truly is a win-win outcome for all.”

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The total purchase price for the water rights is \$24,375,000. Bell Rapids shareholders received \$16 million at closing and the remainder will be paid in annual interest-free installments over five years. Because those payments will be interest free, the sale is equivalent to a present value of approximately \$22.5 million. Bell Rapids still needs to resolve title issues associated with just over 2,000 acres of the land. Until that is accomplished, \$1.8 million will be withheld from the yearly payments.

The purchase was first announced in March when the Board signed a letter of intent to buy the Bell Rapids water rights. The Bureau of Reclamation will now lease most of the water from the Board to augment river flows for salmon and steelhead recovery required under the Endangered Species Act. The Board will use the lease payments to payback most of the general fund appropriation made by the Legislature for the Bell Rapids water rights purchase.

Because the State made this purchase, Idaho water users who need to purchase water to make up for shortages, will face less competition from the Bureau of Reclamation.

The Bell Rapids water rights purchase is the first to be finalized after the Board issued its “Invitation for Offers to Sell” earlier this year. 30 water right holders responded to that offer and negotiations with some are ongoing.

Jerry Rigby, chairman of the Idaho Water Resource Board said, “While the Board hates to see lands go out of production, this purchase occurred through a willing buyer, willing seller process. The State’s purchase of the water is consistent with Idaho’s control over this most valuable resource and will provide needed flexibility to address current and future water supply problems.”

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